

A FOUNDER LEAVES SIMON & SCHUSTER

**\$2-Million Is Reported Price
for Schuster's Half-Interest**

By HARRY GILROY

A chapter in New York book-publishing history ended yesterday and a new one began when M. Lincoln Schuster sold his half interest in Simon and Schuster, Inc., to his partner, Leon Shimkin. The price was reported to be \$2-million.

Mr. Shimkin immediately united Simon and Schuster with Pocket Books, Inc., thus forming a larger company with high standing in hard-cover and paperback publishing. The name of Simon and Schuster will be kept for the new company and will replace Pocket Books as a listing on the over-the-counter securities market. Pocket Books will be a division of the company.

The merger was accomplished by payment to Mr. Shimkin of 320,000 shares of stock in Pocket Books, in return for his 100 per cent ownership of Simon and Schuster. Pocket Books stock has been selling for somewhat above \$5 a share. Mr. Shimkin already had the largest block of the 3-million shares outstanding.

Mr. Schuster, familiarly known as Max, founded his publishing company with the late Richard D. Simon in 1924. He has since guided its editorial policy, and in later years managed its administration as president and chief executive officer.

According to the sales agreement, he may not engage in publishing in the next two years, but he is planning to write, edit and compile books that he will offer to publishers, including Simon and Schuster. He speaks of such successes as "A Treasury of the World's Great Letters" as the kind of book he may work on now.

Published Lord Russell

Mr. Schuster said recently that the primary interests he has developed in 42 years of publishing are in the history of philosophy and the philosophy of history. When he mentions authors he has published, names like Bertrand Russell, Albert Einstein, Will Durant, Max Lerner and Bernard Berenson come up.

Mr. Shimkin has also had a long history with Simon and Schuster. He joined it as an accountant in its first year and eventually became chairman of the board as well as half-owner. He brought it some of its best-sellers, but mostly concentrated his publishing efforts on Pocket Books.

Pocket Books, Inc., was founded in 1939 by Robert F. de Graff, Mr. Simon, Mr. Schus-

Figures in Publishing Transaction



M. Lincoln Schuster



Leon Shimkin

ter and Mr. Shimkin. Mr. de Graff was the originator of the program of mass-market paperback books, and for some years he was its president.

Simon and Schuster and Pocket Books were sold in 1944 to Field Enterprises, Inc., to bring in new capital for post-war expansion. Marshall Field retained all the executives. Mr. Schuster and Mr. Shimkin bought back Simon and Schuster in 1957 and Mr. Shimkin bought Pocket Books in 1959.

In its first year, Pocket Books sold 1.5 million copies of books. Mr. Shimkin, who assumed the presidency in 1950, has directed the company's growth to an annual sale of 60 million copies, one-fifth of the country's paperback sales.

Old-Style Author Relations

The new Simon and Schuster begins its career in a time of change in publishing. Mr. Schuster was a leading figure among publishers who began after World War I, when, as men of letters, they dealt personally with writers in developing ideas for books.

In the last few years, publishers have often received

from the agents of successful writers brief sketches of books and have been asked to bid quickly on package deals covering hard-cover, paperback, film and other rights. To cope with the trend, paperback publishers have started hard-cover lines. The present merger is the first in which a leading New York hard-cover publisher has been joined to a paperback house.

Mr. Shimkin believes that the new combination will be attractive to authors because it offers integrated hard-cover and paperback publishing under one roof. However, authors whose books are brought out in hardcovers by Simon and Schuster will not be bound to accept paperback reprinting by Pocket Books.

Mr. Shimkin plans to offer a Simon and Schuster author a choice. He can receive the customary royalties on his book in hardcovers and then have it placed in open competition for sale of paperback rights, with Simon and Schuster's sharing in the proceeds.

Or he can let Simon and Schuster publish the hard-cover and paperback editions.